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VALUES AND MOTIVES OF SUSTAINABILITY MANAGEMENT IN RUSSIA

Abstract. Our study is focused on the motives that lead managers to implement sustainable development principles in management processes in Russia, as well as values that sustainability management brings to an organization. To conduct our study, we used a semi-structured online survey with managers of 34 organizations in Russia.

Keywords: Sustainability Management, Sustainable Development Principles, Sustainable Development, Motives of Sustainability Management.

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This study is devoted to sustainability management of organizations. Sustainability management is a new concept for many organizations in Russia. Our study aims to identify the values and motives that lead to successful implementation of sustainability concept in the management practices of organization.

Sustainability is a key idea that lies in the basis of the concepts of sustainability management and sustainable development. Sustainability may be considered as the capacity of the system or process to maintain itself for a long time [1]. The most known definition of “sustainable development” was made in the 1987 Brundtland report “Our Common Future” as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” [2, p.43]. Sustainable development may be defined as development that accepts the rights of all people and nations to grow and flourish today as well as in the future [3].

The concept of sustainable development is considered as one of the most challenging concepts that has ever been elaborated on, despite its simple idea. Its main challenge is to provide the development of social and economic systems in harmony with the ecological systems of the planet. The sustainable development concept aims to provide everybody with the opportunity to lead a dignified life and protect the planet from damage [1, p.2].

Sustainability management may be defined as “the organizational practices that result in sustainable development” [4, p.4].

In the broad sense, sustainability management aims to provide the economic efficiency of an organization/project in the long run, simultaneously ensuring a high level of ecological and social responsibility. “By slightly altering the way we view the delivery of projects, we can realize a global system that preserves its natural resources, positively impacts society, and strengthens the global economy” [5, p.7].

To summarize, the concept of sustainability management aims to balance the economic, social and ecological interests in the short and long term as well [6].

Principles of sustainable development and sustainability management

The concept of sustainable development that was elaborated as “Agenda 21” at the Earth Summit (UN Conference on Environment and Development) in 1992, included three main principles:

social, economic, and environmental. These three principles are known as the “three E’s” (environment, economic, and equity) or the “three P’s” (people, planet, and profit) and are also called “the triple bottom line” (TBL), the term introduced by John Elkington [7].

In other words, sustainable development includes the three following dimensions: ecological sustainability, economic opportunity, and social inclusion [3, p.3].

According to GPM Global, the triple bottom line concept “aims to measure the financial, social and environmental performance of the corporation over a period of time. Only a company that produces a TBL is taking account of the full cost involved in doing business” [5, p.29].

The Project Management Institute (PMI) defines sustainable development as a new management paradigm, which aids in coping with the complexity and dynamics of an organization. Sustainable development as a new management paradigm is also of relevance for temporary organizations (i.e. for projects and programmes). The principles of sustainable development - including economic, ecological and social; short-term, mid-term, and long-term; local, regional, and global; as well as values-based – can be used in all project management processes that allow us to improve the quality of the project results [8, p.7].

The fourth principle of sustainable development is institutional. This principle was included in the system of sustainability indicators by the UN Commission on Sustainable Development. The fourth principle of sustainability has not been so well adopted as the three main principles; moreover there is a need for the development of sustainability indicators for the institutional component [1]. The institutional component of sustainability may be considered as the acceptance of sustainability management institutions by an organization, as its intention towards sustainable development and the balance of economic, social and environmental objectives.

The value and motives of sustainability management

The value of sustainability management cannot be overestimated because it harmonizes the economic, social and ecological interests in the short and long term.

According to Kristina Kohl, “sustainable strategy is a business model that focuses on creating long-term financial value while preserving natural and social capital”. The adoption of sustainable strategy as part of the business strategy has led to benefits (values) “such as opening new markets, creating new products and solutions, reducing costs, improving customer relations, reducing risk, and engaging employees” [9, p. xiii].

There are several forces within the American market and culture that can be considered as drivers (motives) of sustainability management. The first motive is the public relations value of being seen as a green (sustainable) company. The second motive is the growing cost of energy, materials, and waste management. The third motive is the growing body of environmental liability law and the costs of liability defense [10, p.2]. And the fourth motive is the deep change in the culture and dominant social paradigm, the shared view about how the world works [11, p.10-11].

Public Policy can form the motives and incentives for the development of sustainable management practices in both the public and private sectors using the following functions: “funding of basic scientific research; funding of sustainable infrastructure; use of the tax structure to provide incentives to direct private capital toward sustainability investments; use of regulatory rules and enforcement to prevent unsustainable economic activities; and the development and maintenance of a system of generally accepted sustainability measures” [11, p.22].

One more motive to implement sustainability management in practice is that it increases chances for the success of a project: “An environmental strategy for a project provides added opportunity for the success of both the project and the product of the project” [12]. The potential success and profit are among the most important drivers of sustainability for any company: implementation of the sustainability concept leads to development of new products that require less resources to manufacture and reduce the cost of production, that leads to a higher profit margin and market share [11, p.10-11].

To formulate the research questions more precisely, let us proceed to the challenges and research gaps in the area of sustainability management that face science and practice today.

Research gaps

In practice the concept of sustainability brings many challenges.

The first challenge lies in the process of integrating sustainable strategy into people, processes and policies. There is a gap between sustainable strategy and benefit realization [9, p. xiii]. When implementing sustainability management in practice we shall know more about the values or benefits it creates, and the motives or drivers that would really work.

The next challenge consists in measuring sustainability and sustainable development, and the development of sustainability indicators that are universally applicable [13, p.27].

Another challenge that faces science and practice nowadays is the balancing of the economic, social, ecological, and institutional principles of sustainable development in the management of organization and project management. To achieve the balance between these principles the organization always meets the trade-offs between the different dimensions of sustainability [8, p.41].

These challenges led us to stating our research questions.

Research questions and methods

Our research questions are as follows:

✓ What are the main motives that lead managers to implement sustainable development principles in management processes in Russia?

✓ What values does sustainability management bring to an organization?

To conduct our study, we used the method of a semi-structured online survey with managers of organizations in Russia. Our data-frame includes answers from 34 respondents from different regions of Russia.

Findings

The online survey was conducted with managers of organizations located in nine regions of Russia, including the cities of Moscow, Omsk, Yekaterinburg, Arkhangelsk, Chelyabinsk, Krasnoyarsk, Kazan, Kyzyl, and Ulan-Ude.

17 organizations are large (more than 251 employees); 6 organizations are middle-sized (from 101 to 250 employees); 5 organizations are small (from 16 to 100 employees); 4 are micro organizations (less than 15 employees); managers of 2 organizations didn't answer this particular question about the organization's size. The studied organizations implement their projects in different sectors of the economy; among them are industrial companies, including engineering, gas, chemical production, as well as service companies, including IT-companies, banks, etc.

Six organizations implement their projects at the international level; six at the national level of the Russian economy; and 22 organizations work only at the regional level. Most of their projects are commercial, but some of them also implement social projects. The survey was conducted from November 2018 to March 2019.

The respondents have chosen the motives/ values which may lead to sustainability management of the organization. Table 1 shows the distribution of answers among the respondents. Questions 1-3 in the table 1 are based on Locke [10], question 4 - on Cohen et al. [11].

Table 1 – Motives/ values of sustainability management

	Value/ motive of sustainability management	Absolutely agree	Partly agreed	Disagree
1	The public relations value of being seen as a sustainable organization	17	14	3
2	The growing cost of energy, materials, and waste management	10	12	12
3	The growing body of environmental liability law and the costs of the liability defence	17	6	11
4	The desire for change in the culture and dominant social paradigm	16	11	7
5	The need to work with foreign partners and adhere to the international standards	15	8	11
6	Digital transformation of the economy and society, the increase in open data access	15	15	4

Another block of questions was devoted to the motives to implement sustainability management practices in the organization under the influence of government regulations. Table 2 shows the answers of our respondents related to the public policy. Questions 1-6 in table 6 are based on Cohen et al. [11, p.22].

Table 2 – Influence of the public policy on the motives/ values of sustainability management

	Value/ motive of sustainability management	Absolutely agree	Partly agreed	Disagree
1	Funding of basic scientific research	20	10	4
2	Funding of sustainable infrastructure in the country/ region	20	10	4
3	Use of the tax structure to provide incentives to direct private capital toward sustainability investments	21	9	4
4	Use of regulatory rules and enforcement to prevent unsustainable economic activities	14	12	8
5	Development and maintenance of a system of generally accepted sustainability measures	14	15	5

We also asked the respondents if they agree or not that the implementation of sustainability management in practice leads to the success of an organization in Russia. This question was based on Maltzman and Shirley [12] and Cohen et al. [11, p.10-11]. 27 respondents absolutely agreed with this statement, 3 didn't agree and 4 were not sure about the right answer.

Conclusions

Our study was devoted to the motives and values of sustainability management. Among the most important motives/ values were the awareness that implementation of sustainability management in practice leads to the success of an organization in Russia; the public relations value of being seen as a sustainable organization; and digital transformation of the economy and society, and the increase in open data access. The government also has an impact on the motives and values of sustainability management. The most important factors that may lead to implementation of sustainability management practices in an organization were the tax structure, as well as the funding of a sustainable infrastructure and the funding of basic scientific research in the field of sustainability.

This study has its limitations, including a small number of research participants. The 34 participants of the survey were not enough to develop a statistical model. Future research may be based on a bigger number of participants from different regions of Russia.

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